



# City of San Antonio

## Agenda Memorandum

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**Agenda Item Number:** 2.

**Agenda Date:** 9/5/2017

**In Control:** Economic and Workforce Development Committee

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**DEPARTMENT:** Economic Development

**DEPARTMENT HEAD:** Rene Dominguez

**COUNCIL DISTRICTS IMPACTED:** All

### **SUBJECT:**

An overview of the Economic Development Department (EDD) core functions with a focus on the public/private partnership with the San Antonio Economic Development Foundation (SAEDF).

### **SUMMARY:**

The Economic Development Department will present an overview of the department, its core functions, and critical partnerships. SAEDF will present an overview of their functions, governance structure, and elements of the 2018 Economic Development Services Agreement which will be considered by City Council in FY 2018.

### **BACKGROUND INFORMATION:**

Economic Development Department policy is driven by the Jobs and Economic Competitiveness area of the SA Tomorrow Comprehensive Plan adopted by City Council on August 11, 2016. EDD invests in partners and administers incentive programs to carry out the goals of SA Tomorrow in the areas of targeted industry recruitment, industry retention/expansion, entrepreneurial development, and workforce development. These activities are a means to secure 21st century jobs that pay better wages by leveraging existing competitive advantages and creating public/private alignment towards this long term goal.

The City of San Antonio public/private partnership with SAEDF began in 2010 and represents an evolution of the City's Economic Development Delivery System (EDDS). The Partnership included the development of a business retention and expansion program, a focus on integrated targeted industry development, and the development of a community-wide strategic plan. At the conclusion of the 5-year partnership in 2015, the results included the completion of 119 projects and over 19,700 jobs. At the request of the Mayor a private sector sub-committee evaluated the five year partnership between City of San Antonio and SAEDF for years 2011-2015 and provided formal recommendations to the Council subcommittee, then called the Economic and

Human Development Subcommittee (EHDC). The results of the study and private sector committee recommendations validated the continuation of the partnership and the acceleration of the Forefront SA Strategic Plan.

Forefront SA is the SAEDF-led, 5-year (through 2020) economic development strategic plan that focuses on formal collaboration among public sector partners, private sector leadership, and maximization of investment in economic development efforts. The Forefront SA effort is calibrated to SA Tomorrow through the annual Economic Development Services Agreement administered by the Economic Development Department. The SAEDF Business Plan associated with the agreement articulates the tactics and strategies pursued that year toward the Forefront SA (5-year) goals and strategies and The SA Tomorrow Comprehensive Plan (25-year) goals and policies in pursuit of targeted industry job growth through global recruitment, retention/expansion, entrepreneurial development, and workforce development.

#### **ISSUE:**

SAEDF now acts as the lead partner in convening and implementing strategies in industry recruitment, industry retention/expansion, entrepreneurial development, and workforce development-in aggregate commonly referred to as the EDDS. For FY 2018, SAEDF has enhanced its governance and staffing structure as well as integrated SA Works in order to comprehensively plan, and execute strategies in partnership with private sector leadership in each of the Targeted Industries. SAEDF will, through its governance structure, secure direction on industry-led initiatives in Cybersecurity, Biomedical/Healthcare, Advanced Manufacturing, and New Energy (led by CPS Energy) and execute these activities through their enhanced staffing structure in accordance with Forefront SA. SAEDF also administers the agreement for the Texas Japan Office which is funded by various community partners including additional funding from EDD and the International Relations Office. SAEDF has established core activities covering each of the elements of the EDDS for each of the Targeted Industries towards achievement of Key Performance Indicators (KPI) through 2020. SAEDF through its agreement with the City of San Antonio also reports quarterly performance measures including Foreign Direct Investment, Local CAPEX, Target Sector Employment Growth, Number of Located Projects, and Number of New Jobs.

#### **FISCAL IMPACT:**

Funding for the FY 2018 SAEDF Economic Development Services Agreement is budgeted in the amount of \$500,000 in the FY 2018 Budget and the allocation of \$90,000 within the EDD and International Relations Office budgets. The FY 2018 economic development professional services agreement and associated business plan between City of San Antonio and SAEDF will be formally presented no later than December in accordance with SAEDF's strategic business plan development and fiscal year cycle.

#### **RECOMMENDATION:**

This is a presentation and no action is necessary.